



Austin City Council MINUTES

For January 16, 1990 - Meeting as the Electric Utility Board of
Directors - 3:00 P.M.

Council Chambers, 307 West Second Street, Austin, Texas

Mayor Cooke called to order the meeting of the Council, meeting as the Electric Utility Board of Directors.

ELECTRIC UTILITY COMMISSION REPORT

Robert Floyd, Chairperson, Electric Utility Commission, discussed the recommendation concerning hiring of Drazen-Brubaker & Associates, Inc., St. Louis, Missouri.

RESOURCE MANAGEMENT COMMISSION REPORT

Ken Altes, Chairman, Resource Management Commission, discussed the suggestions they gave to Council, concerning the Convention Center.

CITY MANAGER REPORTS

John Moore, Director of the Electric Utility, presented the Monthly Management Report (Fiscal, Operations, Fuel). The Monthly Utility Receivable Report was discussed, as well as the Comparative Analysis Report between the City of Austin and San Antonio Utilities. Mr. Moore also presented the Electric Utility Department Cold Weather Operations Report.

MEETINGS CANCELED

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Humphrey's second, waived the requirement for three readings and finally passed an ordinance canceling the regularly scheduled meetings of the City Council as the Electric Utility Board on November 20 and December 18, 1990, and rescheduling those meetings for November 13 and December 11, 1990, respectively; and also cancel the February 20, 1990 meeting and reschedule it for February 13, 1990. (7-0 Vote)

CONSENT RESOLUTIONS

The Council, on Mayor Pro Tem Shipman's motion, Councilmember Carl-Mitchell's second, adopted the following resolutions all in one consent motion: (7-0 Vote)

Engineering Services for Decker Creek Power Station

Authorized and approved selection of professional engineering services for the Decker Creek Power Station Natural Gas Pipeline project: Joint venture

between Bury and Pittman Consulting Engineers of Austin and Northern Engineering Inc. of Houston for an estimated cost of \$175,000.

Fuel for Decker and Holly

Approved one-year contracts for the supply of three grades of fuel oil for use at Decker Creek and Holly Power Plants. Amount will vary depending on required purchases; estimated costs are \$1.8 million. In addition to awarding the contract to a low bidder, the Electric Utility recommends awarding "back-up" contracts to other qualifying bidders. The following contract awards are recommended:

Diesel Oil No. 2 and Distillate Oil No. 2

- 1) Diamond Shamrock - lowest bid
- 2) Mansfield Oil Co.- back-up contract
- 3) Onyx Petroleum - back-up contract

Fuel Oil for Gas Turbines

- 1) Mansfield Oil - lowest bid
- 2) Onyx Petro - back-up contract

Pipe Insulation

Approved contract award to Distribution International, Corpus Christi, Texas, for pipe insulation in the total amount of \$35,045.00.

Cost of Service Study Consultants

Adopted the Electric Utility Commission's recommendation concerning hiring Drazen-Brubaker & Associates, Inc., St. Louis, Missouri, and Diversified Utility Consultants, Inc., Austin, Texas, as the two Cost of Service Study consultants for an amount to not exceed \$190,000.

Substation Structural Steel

Approved contract award to Dis-Tran, Inc., c/o Len Deloney Co., Austin, Texas, for substation structural steel in the total amount of \$31,524.

SPOT COAL SUPPLY

Motion

Councilmember Barnstone made a motion, seconded by Mayor Cooke, to adopt a resolution approving a one year spot coal supply contract with Exxon Coal U.S.A., Inc., Houston, Texas, to provide the Fayette Power Project with approximately 183,432 tons of coal from its Caballo Mine in the Wyoming Powder River Basin in the estimated amount of \$362,278.

Substitute Motion

Mayor Pro Tem Shipman offered a substitute motion, seconded by Councilmember Nofziger, to reject all bids. Motion passed by a vote of 4-3 with Councilmember Urdy, Mayor Cooke and Councilmember Barnstone voting No.

GOVERNANCE OPTIONS

Councilmember Nofziger introduced to Council a discussion concerning governance options for the City of Austin Electric Utility. (Complete transcript of discussion is on file in the City Clerk's office.)

EXECUTIVE SESSION

Mayor Cooke announced that Council would go into executive session, pursuant to Article 6552-17, Texas Revised Civil Statutes Annotated, to discuss matters of land acquisition, litigation and for personnel matters. No final action, decision or vote by the City Council will be taken on any subject or matter unless specifically listed on the agenda for the meeting.

Pending Litigation - Section 2, Paragraph e:

- (a) City of Austin vs. Houston Lighting and Power Company (No. 86-13175-E)
- (b) Claims related to suspension and delay of contract for construction of the Resource Recovery Generating Plant.

RECESS

Council recessed its meeting at 5:00 P.M. for executive session and resumed its recessed meeting at 6:15 P.M.

WASTE-TO-ENERGY PLANT

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Urdy's second, adopted a resolution authorizing the execution of an agreement between the City of Austin and Babcock & Wilcox Company resolving claims related to suspension and delay of contract for construction of the Waste-to-Energy Plant, in the amount of \$252,000.00. (5-0 Vote, Mayor Pro Tem Shipman and Councilmember Barnstone out of the room.)

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Humphrey's second, adopted a resolution to direct the City Manager to direct staff to prepare an RFP to hire a broker to market the waste-to-energy plant. (5-0 Vote, Mayor Pro Tem Shipman, Councilmember Barnstone out of the room.)

HL&P

The Council, on Councilmember Carl-Mitchell's motion, Councilmember Humphrey's second, directed the City Manager to bring back options to take action against HL&P for poor performance during recent cold weather. (5-0 Vote, Mayor Pro Tem Shipman and Councilmember Barnstone out of the room)

ADJOURNMENT

Council adjourned its meeting at 6:22 P.M.